year cost recovery period. In addition, the legislation includes a proper definition of a ''natural gas gathering line'' in order to distinguish these assets from pipeline transportation lines for depreciation purposes. While I believe this result is clearly the correct result under current law, my bill will eliminate any remaining uncertainty regarding the treatment of natural gas gathering lines.

The need for certainty regarding the tax treatment of such a substantial investment is obvious in the face of the IRS's and Treasury's refusal to properly classify these assets. The Modified Accelerated Cost Recovery System (MACRS), the current depreciation system, includes ''gathering pipelines and related production facilities'' in the Asset Class for assets used in the exploration for and production of natural gas subject to a seven-year cost recovery period. Despite the plain language of the Asset Class description, the IRS and Treasury have repeatedly asserted that only gathering systems owned by producers are eligible for seven-year cost recovery and all other gathering systems should be treated as transmission pipeline assets subject to a fifteen-year cost recovery period.

The IRS's and the Treasury's position creates the absurd result of the same asset receiving disparate tax treatment based solely on who owns it. The distinction between gathering and transmission is well-established and recognized by the Federal Energy Regulatory Commission and other regulatory agencies. Their attempt to treat natural gas gathering lines as transmission pipelines ignores the integral role of gathering systems in production, and the different functional and physical attributes of gathering lines as compared to transmission pipelines.

Not surprisingly, the United States Court of Appeals for the Tenth Circuit recently held that natural gas gathering systems are subject to a seven-year cost recovery period under current law regardless of ownership. The potential for costly audits and litigation, however, still remains in other areas of the country. Given that even a midsize gathering system can consist of 1,200 miles of natural gas gathering lines, and that some companies own as much as 18,000 miles of natural gas gathering lines, these assets represent a substantial investment and expense. The IRS should not force businesses to incur any more additional expenses as well. My bill will ensure that these assets are properly treated under our country's tax laws.

I urge my colleagues to join me as cosponsors of this important legislation.

HONORING THE ANNIVERSARY OF THE BIRTH OF SAMUEL S. SCHMUCKER

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1999

Mr. GOODLING. Mr. Speaker, I rise today in recognition of the bicentennial of the birth of Samuel S. Schmucker, who made great contributions to American culture, religion, and education.

Mr. Samuel Schmucker was born 200 years ago on February 28, 1799 in Hagerstown, Maryland into a Lutheran parsonage family. At age ten, he moved with the family to York, Pennsylvania. As a young man at a time when there were no colleges under Lutheran auspices, Samuel Schmucker attended the University of Pennsylvania and Princeton Theological Seminary. While attending these schools, he demonstrated exceptional intelligence and leadership skills. After leaving school, Mr. Schmucker was determined to do everything within his power to improve education in his denomination and in his commonwealth. In 1821, at the young age of 22, Samuel Schmucker was ordained and he quickly began to instruct candidates for the ministry. He founded and served the Lutheran Theological Seminary by preparing hundreds of men for the Lutheran ministry.

In 1832 Mr. Schmucker became the chief founder of Gettysburg College, one of the 50 oldest colleges in the United States today. Although the college was under Lutheran influence, he insisted that no student or faculty member be denied admission based on their religion. Samuel Schmucker remained an active member of the College Board of Trustees for more than 40 years. Throughout his life, he was an ardent supporter of education for women and minorities. He so adamantly opposed slavery and was outspoken on the subject that when confederate soldiers swept across the seminary campus on July 1, 1863, his home and library were ransacked.

I am pleased to recognize the sponsors of this special event: Gettysburg College, the Lutheran Historical Society, and Lutheran Theological Seminary at Gettysburg and I commend them for acknowledging the importance of Samuel Schmucker's accomplishments.

I am very proud of Samuel Schmucker's contribution to the educational system and culture of Pennsylvania. His legacy of leadership has benefited many generations of Americans.

INTRODUCTION OF THE MEDICARE'S ELDERLY RECEIVING INNOVATIVE TREATMENTS (MERIT) ACT OF 1999

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1999

Mr. RAMSTAD. Mr. Speaker, I rise today to introduce legislation to promote the coverage of frail elderly Medicare beneficiaries enrolled in innovative Medicare+Choice programs.

This bill will exempt certain innovative programs specifically designed for the frail elderly living in nursing homes from being impacted by the new risk-adjusted payment methodology designed by the Health Care Financing Administration (HCFA) during its phase-in period.

While the concept of a risk-adjusted payment methodology would actually be beneficial for such programs, the interim methodology is limited in scope and is primarily based on hospital encounter data. This focus on hospitalizations will put programs that are designed to provide care in non-hospital settings, thus reducing the need for expensive hospitalizations, at a distinct disadvantage.

One such program is EverCare, an innovative health care program for the frail elderly in Minnesota and other states. A recent study by the Long Term Care Data Institute (LTCDI) has concluded that EverCare's revenue alone will decrease 42% under this new methodology. The program could not continue with such dramatic cuts.

Recognizing that EverCare and programs like it may be adversely impacted by the new methodology, HCFA granted certain programs limited exemptions. However, HCFA acknowledged that additional steps may be necessary by stating they would also be ''assessing possible refinements to the risk adjustment methodology'' as it relates to these programs and was considering developing a 'hybrid' payment methodology for them.

I appreciate HCFA's understanding of the uniqueness of the programs and the need to treat them differently than traditional Medicare+Choice plans. However, I am concerned that over four months have passed and we have not seen action on the part of HCFA to develop such a methodology. In addition, I am concerned that they have not applied the exemption to other similar programs specifically designed for the frail elderly living in nursing homes.

Along with the bill and statement today, I am submitting some testimonials I have received from those involved with this critical program. I believe they will do a better job than I could of explaining the uniqueness and importance of these programs.

Mr. Speaker, the risk adjusted payment methodology is intended to ensure reimbursements which reflect the health care status and needs of Medicare beneficiaries, not deny access to pioneering new programs.

That's why I urge my colleagues to cosponsor this legislation to ensure cost-effective and care-enhancing programs like these are not unintentionally and fatally impacted as HCFA gradually moves into an appropriate, comprehensive methodology. I urge my colleagues to cosponsor this MERITorious bill.

THE EVERCARE STORY—CLINICAL SUCCESS STORIES SUBMITTED BY SITE

PHOENIX SITE

Sara Roth was a 75 year old EverCare resident of Shadow Mountain Care Center. Sara's primary diagnosis was S/P frontotemporal craniotomy for a massive subdural hematoma. She was now essentially bedridden and as a result had pressure sores complicating her current medical status. Less than 9 months prior to her enrolling with EverCare, she had been essentially alert and dependent. Sara's family was pursuing legal interventions with her previous health care providers.

Sara's family felt isolated, tremendously frustrated and out of control prior to her enrolling in EverCare. Sue was able to help this family who had unrealistic expectations, make difficult, but informed decisions. Ultimately, Sara was able to die with compassion and dignity. The family was comforted and supported by the team during this difficult time, as their attached letter attests.

This example truly represents the unique aspects of the EverCare model in action—protecting the quality of life, and when this is no longer possible, creating the most therapeutic environment to protect life's end.

SCOTTSDALE, AZ
July 20, 1998.

Re Ms. Sue Freeman, nurse practitioner.

Ms. KATHRYNE BARNOSKI,
Clinical Director,
EverCare, Phoenix, AZ.

DEAR MS. BARNOSKI: I write this letter to express our family's deep appreciation for all